IN THE MATTER OF: Absorbent Technologies Site Albany, Linn County, Oregon • David L. Ellis, Pamela L. Ellis, and Farouk H. Al-Hadi, as individuals and tenants-in-common; • Lombard Foods, Inc., an Oregon corporation; and • Bankruptcy Estate of Absorbent Technologies, Inc., by and through trustee Kenneth S. Eiler, D. Or. Bkcy. Case No. 13-31286-tmb7 SETTLING PARTIES	SETTLEMENT AGREEMENT FOR RECOVERY OF RESPONSE COSTS U.S. EPA Region 10 CERCLA Docket No. 10-2014-0057 PROCEEDING UNDER SECTION 122(h)(1) OF CERCLA 42 U.S.C. § 9622(h)(1)

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I. JURISDICTION

1. This Settlement Agreement is entered into pursuant to the authority vested in the Administrator of the U.S. Environmental Protection Agency ("EPA") by Section 122(h)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), 42 U.S.C. § 9622(h)(1), which authority has been delegated to the Regional Administrators of the EPA by EPA Delegation No. 14-14-D (5/11/1994), redelegated to the Director of the Office of Environmental Cleanup in Region 10 of EPA by Delegation No. R10-14-14-D (4/20/2012), and further delegated to the Office of Environmental Cleanup Associate Director, Remedial Cleanup Program Manager, and the Emergency Management Program Manager by Delegation No. R10 14-14-D(1) (5/3/2012).

2. This Settlement Agreement is made and entered into by EPA and the following parties:

- David L. Ellis, Pamela L. Ellis, and Farouk H. Al-Hadi, as individuals and together as tenants-in-common of the property located at 140 Queen Avenue SW Albany, Oregon (the "Queen Owners");
- Lombard Foods, Inc., an Oregon corporation, the owner of the property located at 2830 Ferry Street SW, Albany, Oregon (the "Ferry Owner"); and
- Bankruptcy Estate of Absorbent Technologies, Inc. ("ATI" or the "Debtor"), by and through its duly-appointed bankruptcy trustee Kenneth S. Eiler (the "Trustee") in the chapter 7 case (the "Case") now pending before the United States Bankruptcy Court for the District of Oregon (the "Court"), Case No. 13-31286-tmb7 (the "Estate")

(together, the "Settling Parties"). The Settling Parties consent to and will not contest EPA's authority to enter into this Settlement Agreement or to implement or enforce its terms.

3. This Settlement Agreement shall not be effective as to the Estate until the Settlement Agreement is noticed by the Trustee to the creditors and other interested parties requiring notice in the Case and then approved by an order of the Court (the "Approval Order").

II. BACKGROUND

4. This Settlement Agreement concerns the Absorbent Technologies Site located at 140 Queen Avenue SW and 2830 Ferry Street SW, Albany, Oregon (collectively referred to as the "Site," and individually referred to as, respectively, the "Queen Property" and the "Ferry Property"). In response to the "release" or "threatened release" of hazardous substances at or from the Site, as described below in Paragraph 11, EPA undertook response actions at the Site pursuant to Section 104 of CERCLA, 42 U.S.C. § 9604. EPA performed and oversaw the performance of CERCLA response actions at the Site between October of 2013 and January of 2014.

5. ATI operated a commercial agricultural chemical formulating business at the Site. Debtor's operations included the use and storage of hazardous substances at both the Queen Property and the Ferry Property. On or about October 11, 2013, ATI ceased operations at and essentially abandoned both the Queen Property and Ferry Property. On October 15, 2013, the City of Albany requested that EPA assist it in addressing threats posed by the Site. EPA initiated its efforts on the Site on October 15, 2013, when it performed an initial evaluation of conditions at the Queen Property. After evaluating conditions at the Queen Property, EPA performed an emergency removal action at the Queen Property between October 16 and October 20, 2013. The primary focus of the emergency removal was the stabilization and removal of acrylonitrile from a 20,000 gallon tank for off-site disposal. During its assessment of the Site, EPA identified tanks, pipes, containers, and totes that contained several hazardous substances, including acrylonitirile, hydrogen cyanide, potassium hydroxide, sulfuric acid, phosphoric acid, methanol and toxic metals.

6. EPA determined that the presence of the hazardous substances at the Site posed significant risks to human health and the environment. EPA was assisted by its contractor Environmental Quality Management, Inc. during the initial site investigation and emergency removal action. After EPA completing these actions, EPA further evaluated conditions and selected the response actions necessary to complete cleanup at the Queen Property.

7. Concurrent with its activities at the Queen Property, EPA evaluated conditions at the Ferry Property. EPA determined that the same hazardous substances that were present at the Queen Property also were present on the Ferry Property, albeit in smaller quantities.

8. On October 23, 2013, the Court granted ATI's motion to convert its ongoing bankruptcy proceeding from Chapter 11 to Chapter 7. As of October 23, 2013, EPA had incurred approximately $172,716.14 performing response actions at the Site.

9. On November 6, 2013, EPA issued an Action Memorandum that selected additional response actions to complete the removal action necessary to address environmental and human health risks posed by conditions at the Site. The selected actions were performed by the Queen Owners and the Ferry Owner under the oversight of EPA. EPA's oversight was performed by its On-Scene Coordinator, Dan Heister, with the assistance of Ecology and Environment, Inc. All of these Action Memorandum-related actions were performed after the ATI bankruptcy had been converted to Chapter 7. The EPA-selected removal action was completed at both the Queen Property and the Ferry Property on or about January 9, 2014. EPA incurred approximately $226,435.18 performing and overseeing the performance of response actions at the Site after October 23, 2013, the date of conversion of the Case. EPA intends to assert a chapter 7 administrative claim against the Estate for this approximately $226,435.18 of post-conversion expense, as well as a chapter 11 administrative claim for the approximately $172,716.14 incurred pre-conversion (together, the "EPA Admin. Claim").

10. The acylontirile, hydrogen cyanide, potassium hydroxide, sulfuric acid, phosphoric acid, methanol, and metals left on the Queen Property and the Ferry Property all constitute "hazardous substances" within the meaning of Section 101(14) of CERCLA, 42 U.S.C. § 9601(14).

11. The Site is a "facility" as defined by Section 101(9) of CERCLA, 42 U.S.C. § 9601(9). As indicated above, EPA discovered that there were abandoned tanks, pipes, containers, and totes at the Site which contained various hazardous substances, and the abandonment of "barrels, containers, and other closed receptacles containing [a] hazardous substance" on the Site constitutes a"release" or "threatened release" of hazardous substances from the Site, as defined by Section 101(22) of CERCLA, 42 U.S.C. § 9601(22).

12. EPA alleges that each Settling Party is a responsible party pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), and is jointly and severally liable for Response Costs, as defined below, incurred at or in connection with the Site.

13. EPA has determined that the total response costs of the United States incurred at or in connection with the Site are less than $500,000, excluding interest (the "Total EPA Costs"). These amounts do not include the response costs incurred directly by the Queen Owners and the Ferry Owner to remediate their respective properties, which are estimated to be at least $400,000 and $230,000, respectively.

14. The Queen Owners are in the process of selling the Queen Property to Pacific Cast Technologies, Inc. In accordance with this Settlement Agreement, and pursuant to that certain Escrow Agreement dated January 31, 2014 (the "Escrow Agreement"), the Queen Owners have agreed to deposit $135,000 of the proceeds of the sale of the Queen Property into an escrow account (the "Escrow Account"). These funds that are to be placed in the Escrow Account will be proceeds from the sale of the Queen Property, which would have otherwise been received by the Queen Owners.

15. The Ferry Owner and the Trustee hereby agree that the Estate shall pay $115,000 to the Escrow Account within ten days of approval of the Bankruptcy Court (the "Estate Payment"). This $115,000 payment represents (1) a payment of $62,500 on behalf of the Ferry Owner to resolve the Ferry Owner's chapter 7 administrative claim demand for contribution under its now-rejected lease based on the Total EPA Costs (the "EPA-related Ferry Admin. Claim"), and (2) a payment of $52,500 on behalf of the Estate on account of the Estate's alleged independent liability for the Total EPA Costs, including to resolve and release the EPA Admin. Claim.

16. This $115,000 Estate Payment is being made by the Trustee to resolve not only the EPA-related Ferry Admin. Claim and the EPA Admin. Claim at a significant discount, but is also based and contingent on the Queen Owners' agreement herein to: (A) fully release any and all administrative claims of the Queen Owners (including any assigns) against the Estate related to the Total EPA Costs; and as part of this Settlement Agreement, (B) fully release any and all other claims of the Queen Owners (including any assigns) against the Trustee and Estate, including claims related to any and all tangible personal property at the Queen Property at any point in time (the "Queen Personal Property") and environmental remediation related to the Queen Property, in exchange for the Trustee's release and transfer to the Queen Owners of any and all rights, title, and interest of the Estate in the Queen Personal Property, including any and all rights, title, and interest of Vencore Solutions LLC ("Vencore") and Water Conservation Technologies, Inc. ("WCT") now held by the Estate pursuant to the Court's Order dated January

29, 2014 (Doc. 375) (the "Queen Personal Property Settlement"). In addition, and as another benefit to the Estate as part of this Settlement Agreement, the Queen Owners agree herein to waive and release any objection to any chapter 7 administrative claim filed by the Ferry Owner, other than the EPA-related Ferry Admin. Claim, which is being resolved herein.

17. The terms of the Escrow Agreement provide that the escrowed funds will be transferred to EPA within two business days after the Escrow Account is fully funded in the amount of $250,000 and after a fully-executed and legally binding copy of this Settlement Agreement has been received into escrow.

18. EPA and the Settling Parties recognize that this Settlement Agreement has been negotiated in good faith, and that this Settlement Agreement is entered into without the admission or adjudication of any issue of fact or law.

III. PARTIES BOUND

19. This Settlement Agreement shall be binding upon EPA and upon each Settling Party and its successors and/or assigns. Any change in ownership or corporate or other legal status of a Settling Party, including but not limited to any transfer of assets or real or personal property, shall in no way alter a Settling Party's responsibilities under this Settlement Agreement. Each signatory to this Settlement Agreement certifies that he or she is authorized to enter into the terms and conditions of this Settlement Agreement and to bind legally the party represented by him or her.

IV. DEFINITIONS

20. Unless otherwise expressly provided in this Settlement Agreement, terms used in this Settlement Agreement that are defined in CERCLA or in regulations promulgated under CERCLA shall have the meanings assigned to them in CERCLA or in such regulations. Whenever terms listed below are used in this Settlement Agreement or its appendices, the following definitions shall apply:

"CERCLA" shall mean the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675.

"Day" or "day" shall mean a calendar day. In computing any period of time under this Settlement Agreement, where the last day would fall on a Saturday, Sunday, or federal or state holiday, the period shall run until the close of business of the next working day.

"Effective Date" shall mean the effective date of this Settlement Agreement as provided by Section XVI.

"EPA" shall mean the United States Environmental Protection Agency and its successor departments, agencies, or instrumentalities.

"EPA Hazardous Substance Superfund" shall mean the Hazardous Substance Superfund established by the Internal Revenue Code, 26 U.S.C. § 9507.

"Escrow Account" shall mean the escrow account established pursuant to the Escrow Agreement.

"Escrow Agreement" shall mean the Escrow Agreement by and between the Queen Owners and Chicago Title Company, dated January 31, 2014, and attached as Appendix A to this Settlement Agreement.

"Interest" shall mean interest at the rate specified for interest on investments of the EPA Hazardous Substance Superfund established by 26 U.S.C. § 9507, compounded annually on October 1 of each year, in accordance with 42 U.S.C. § 9607(a). The applicable rate of interest shall be the rate in effect at the time the interest accrues. The rate of interest is subject to change on October 1 of each year.

"Paragraph" shall mean a portion of this Settlement Agreement identified by an Arabic numeral or an upper or lower case letter.

"Parties" shall mean EPA and the Settling Parties, and, individually, each of the Parties is a "Party."

"Response Costs" shall mean all costs, including but not limited to direct and indirect costs, that EPA has paid or incurred at or in connection with the Site between October 15, 2013 and January 31, 2014, plus accrued Interest on all such costs through the date all funds have been placed in the Escrow Account.

"Section" shall mean a portion of this Settlement Agreement identified by a Roman numeral.

"Settlement Agreement" shall mean this Settlement Agreement and the attached, above-referenced Escrow Agreement. In the event of any conflict between this Settlement Agreement and the Escrow Agreement, the Settlement Agreement shall control.

"Settling Parties" shall mean all the parties defined above in Section I, Paragraph 2, and, individually, each of the Settling Parties is a "Settling Party."

"Site" shall mean the Absorbent Technologies Site located at 140 Queen Avenue SW and 2830 Ferry Street SW, Albany, Linn County, Oregon.

V. PAYMENT OF RESPONSE COSTS

21. The $250,000 in the Escrow Account shall be paid to EPA when all of the conditions for the release of such funds that are set forth in the Escrow Agreement have been fully satisfied. Disbursement of the $250,000 in the Escrow Account to EPA shall be made in accordance with and as required by the Escrow Agreement.

VI. FAILURE TO COMPLY WITH SETTLEMENT AGREEMENT

22. If a Settling Party fails or refuses to comply with the requirements of this Settlement Agreement, it, he or she shall be subject to enforcement action pursuant to Section 122(h)(3) & (l) of CERCLA, 42 U.S.C. § 9622(h)(3) & (l). If the United States, on behalf of EPA, brings an action to enforce this Settlement Agreement, the Settling Party shall reimburse the United States for all costs of such action, including but not limited to costs of attorney time.

VII. COVENANTS BY EPA

23. Covenants for Settling Parties by EPA. Except as specifically provided in Section VIII (Reservations of Rights by EPA), EPA covenants not to sue or take administrative action against Settling Parties pursuant to Section 107(a) of CERCLA, 42 U.S.C. § 9607(a), to recover Response Costs, including to withdraw and release any claim of EPA filed against the Estate in the Case. As to each Settling Party, these covenants shall take effect only upon receipt by EPA of $250,000 from the Escrow Account, as set forth in Section V (Payment of Response Costs). These covenants extend only to Settling Parties and do not extend to any other person.

VIII. RESERVATIONS OF RIGHTS BY EPA

24. EPA reserves, and this Settlement Agreement is without prejudice to, all rights against Settling Parties with respect to all matters not expressly included within the Covenants by EPA in Section VII. Notwithstanding any other provision of this Settlement Agreement, EPA reserves, and this Settlement Agreement is without prejudice to, all rights, if any, against Settling Parties with respect to:

a. liability for failure of a Settling Party to meet a requirement of this Settlement Agreement;

b. liability for costs incurred or to be incurred by the United States that are not within the definition of Response Costs;

c. liability for injunctive relief or administrative order enforcement under Section 106 of CERCLA, 42 U.S.C. § 9606;

d. criminal liability; and

e. liability for damages for injury to, destruction of, or loss of natural resources, and for the costs of any natural resource damage assessments.

25. Nothing in this Settlement Agreement is intended to be nor shall it be construed as a release, covenant not to sue, or compromise of any claim or cause of action, administrative or judicial, civil or criminal, past or future, in law or in equity, that the United States may have against any person, firm, corporation or other entity not a signatory to this Settlement Agreement.

IX. COVENANTS BY SETTLING PARTIES

26. Settling Parties covenant not to sue and agree not to assert any claims or causes of action against the United States, or its contractors or employees, with respect to Response Costs and this Settlement Agreement, including but not limited to:

a. any direct or indirect claim for reimbursement from the EPA Hazardous Substance Superfund based on Sections 106(b)(2), 107, 111, 112, or 113 of CERCLA, 42 U.S.C. §§ 9606(b)(2), 9607, 9611, 9612, or 9613, or any other provision of law;

b. any claims arising out of the response actions at the Site for which the Response Costs were incurred, including any claim under the United States Constitution, the Constitution of the State of Oregon, the Tucker Act, 28 U.S.C. § 1491, the Equal Access to Justice Act, 28 U.S.C. § 2412, or at common law; and

c. any claim pursuant to Section 107 or 113 of CERCLA, 42 U.S.C. § 9607 or 9613, Section 7002(a) of RCRA, 42 U.S.C. § 6972(a), or state law for Response Costs.

27. Nothing in this Settlement Agreement shall be deemed to constitute approval or preauthorization of a claim within the meaning of Section 111 of CERCLA, 42 U.S.C. § 9611, or 40 C.F.R. 300.700(d).

28. Among themselves, the Settling Parties agree to the following terms, with such terms taking effectt immediately upon implementation of this Settlement Agreement (i.e., entry of the Approval Order, payment of the $115,000 Estate Payment, and disbursement of the $250,000 in the Escrow Account to EPA to trigger the covenants by EPA as set forth in Section VII):

a. The Queen Owners and the Ferry Owner (including their respective agents and assigns) hereby mutually release one another from any and all claims or liabilities, known or unknown;

b. The Ferry Owner hereby withdraws and releases its EPA-related Ferry Admin. Claim against the Estate, but not any other claims that may be asserted against the Estate;

c. The Trustee hereby transfers any and all rights, title, and interest of the Estate in the Queen Personal Property, including any and all rights, title, and interest of Vencore and WCT now held by the Estate, to the Queen Owners;

d. The Queen Owners (including any assigns) fully release any and all claims against the Trustee and the Estate, but such release extends only to the

Trustee and the Estate and not to any other person or entity, including, without limitation, Vencore and WCT;

e. The Queen Owners waive and release any objections to any chapter 7 administrative claim filed by the Ferry Owner, other than the EPA-related Ferry Admin. Claim, which is withdrawn and released by this Settlement Agreement; and

f. The Settling Parties hereby agree to cooperate with one another in the implementation of these covenants, including executing any documents reasonably necessary to further evidence the agreements herein.

X. EFFECT OF SETTLEMENT/CONTRIBUTION

29. Nothing in this Settlement Agreement shall be construed to create any rights in, or grant any cause of action or affirmative defense to, any person not a Party to this Settlement Agreement. Except as provided in Section IX(Covenants by Settling Parties), each of the Parties expressly reserves any and all rights (including, but not limited to, pursuant to Section 113 of CERCLA, 42 U.S.C. § 9613), defenses, claims, demands, and causes of action that each Party may have with respect to any matter, transaction, or occurrence relating in any way to the Site against any person not a Party hereto. Nothing in this Settlement Agreement diminishes the right of the United States, pursuant to Section 113(f)(2) and (3) of CERCLA, 42 U.S.C. § 9613 (f)(2)-(3), to pursue any such persons to obtain additional response costs or response action and to enter into settlements that give rise to contribution protection pursuant to Section 113(f)(2).

30. The Parties agree that the actions undertaken by the Settling Parties in accordance with this Settlement Agreement do not constitute an admission of any liability by any of the Settling Parties. The Settling Parties do not admit, and retain the right to controvert in any subsequent proceedings other than proceedings to implement or enforce this Settlement Agreement, the validity of the facts and/or allegations contained in Section II of this Settlement Agreement.

31. The Parties agree that this Settlement Agreement constitutes an administrative settlement for purposes of Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), and that the Settling Parties are entitled, as of the Effective Date, to protection from contribution actions or claims as provided by Sections 113(f)(2) and 122(h)(4) of CERCLA, 42 U.S.C. §§ 9613(f)(2) and 9622(h)(4), or as may be otherwise provided by law, for "matters addressed" in this Settlement Agreement. The "matters addressed" in this Settlement Agreement are Response Costs. The Parties further agree that this Settlement Agreement constitutes an administrative settlement for purposes of Section 113(f)(3)(B) of CERCLA, 42 U.S.C. § 9613(f)(3)(B), pursuant to which the Settling Parties have, as of the Effective Date, resolved liability to the United States for some or all of a response action or some or all of the costs of such action.

32. Each Settling Party shall, with respect to any suit or claim brought by it, he, or she for matters related to this Settlement Agreement, notify EPA in writing no later than 60 days

prior to the initiation of such suit or claim. The Settling Parties also shall, with respect to any suit or claim brought against them or any of them for matters related to this Settlement Agreement, notify EPA in writing within 10 days after service of any such complaint or claim. In addition, the Settling Parties shall notify EPA within 10 days after service or receipt of any Motion for Summary Judgment and within 10 days after receipt of any order from a court setting a case for trial, for matters related to this Settlement Agreement.

33. In any subsequent administrative or judicial proceeding initiated by EPA, or by the United States on behalf of EPA, for injunctive relief, recovery of response costs, or other relief relating to the Site, the Settling Parties shall not assert, and may not maintain, any defense or claim based upon the principles of waiver, *res judicata*, collateral estoppel, issue preclusion, claim-splitting, or other defenses based upon any contention that the claims raised in the subsequent proceeding were or should have been brought in the instant case; provided, however, that nothing in this Paragraph affects the enforceability of the covenants by EPA set forth in Section VII.

34. Effective upon signature of this Settlement Agreement by the Settling Parties, each of the Settling Parties agree that the time period commencing on the date of its, his, or her signature and ending on the date EPA receives the payment required by Section V (Payment of Response Costs) shall not be included in computing the running of any statute of limitations potentially applicable to any action brought by the United States related to the "matters addressed" as defined in Paragraph 31, and that, in any action brought by the United States related to the "matters addressed," the Settling Parties will not assert, and may not maintain, any defense or claim based upon principles of statute of limitations, waiver, laches, estoppel, or other defense based on the passage of time during such period. If EPA gives notice to Settling Parties that it will not make this Settlement Agreement effective, the statute of limitations shall begin to run again commencing ninety days after the date such notice is sent by EPA.

XI. ACCESS TO INFORMATION

35. The Settling Parties shall provide to EPA, upon request, copies of all records, reports, or information (including records, reports, documents, and other information in electronic form) (hereinafter referred to as "Records") within their possession or control or that of their contractors or agents relating to Response Costs incurred at the Site, including, but not limited to, sampling, analysis, chain of custody records, manifests, trucking logs, receipts, reports, sample traffic routing, and correspondence.

36. Confidential Business Information and Privileged Documents.

a. A Settling Party may assert business confidentiality claims covering part or all of the Records submitted to EPA under this Settlement Agreement to the extent permitted by and in accordance with Section 104(e)(7) of CERCLA, 42 U.S.C. § 9604(e)(7), and 40 C.F.R. § 2.203(b). Records determined to be confidential by EPA will be accorded the protection specified in 40 C.F.R. Part 2, Subpart B. If no claim of confidentiality accompanies Records when they are submitted to EPA, or if EPA has

notified a Settling Party that the Records are not confidential under the standards of Section 104(e)(7) of CERCLA or 40 C.F.R. Part 2 Subpart B, the public may be given access to such Records without further notice to the Settling Party.

b. A Settling Party may assert that certain Records are privileged under the attorney-client privilege or any other privilege recognized by federal law. If a Settling Party asserts such a privilege in lieu of providing Records, it, he, or she shall provide EPA with the following: (1) the title of the Record; (2) the date of the Record; (3) the name, title, affiliation (e.g., company or firm), and address of the author of the Record; (4) the name and title of each addressee and recipient; (5) a description of the subject of the Record; and (6) the privilege asserted. If a claim of privilege applies only to a portion of a Record, the Record shall be provided to EPA in redacted form to mask the privileged information only. A Settling Party shall retain all Records that it, he, or she claims to be privileged until the United States has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in the Settling Party's favor. However, no Records created or generated pursuant to the requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged or confidential.

37. No claim of confidentiality or privilege shall be made with respect to any data, including, but not limited to, all sampling, analytical, monitoring, hydrogeologic, scientific, chemical, or engineering data, or any other documents or information evidencing conditions at or around the Site.

XII. RETENTION OF RECORDS

38. Until three years after the Effective Date, each Settling Party other than the Trustee/Estate shall preserve and retain all non-identical copies of Records (including records in electronic form) now in its possession or control, or that come into its possession or control, that relate in any manner to Response Costs incurred at the Site or to the liability of any person under CERCLA with respect to Response Costs incurred at the Site, regardless of any corporate retention policy to the contrary.

39. A Settling Party shall notify EPA at least 90 days prior to the destruction of any such Records and, upon request by EPA, such Settling Party shall deliver any such Records to EPA. The Settling Parties may assert that certain Records are privileged under the attorney-client privilege or any other privilege recognized by federal law. If a Settling Party asserts such a privilege, it shall provide EPA with the following: (1) the title of the Record; (2) the date of the Record; (3) the name, title, affiliation (e.g., company or firm), and address of the author of the Record; (4) the name and title of each addressee and recipient; (5) a description of the subject of the Record; and (6) the privilege asserted. If a claim of privilege applies only to a portion of a Record, the Record shall be provided to EPA in redacted form to mask the privileged information only. A Settling Party shall retain all Records that it, he, or she claims to be

privileged until EPA has had a reasonable opportunity to dispute the privilege claim and any such dispute has been resolved in the Settling Party's favor. However, no Records created or generated pursuant to the requirements of this Settlement Agreement shall be withheld on the grounds that they are privileged or confidential.

40. The Settling Parties certify that, to the best of their knowledge and belief, after thorough inquiry, they have:

a. not altered, mutilated, discarded, destroyed or otherwise disposed of any Records (other than identical copies) relating to their potential liability regarding the Site since the earlier of notification of potential liability by the United States or the state or the filing of a suit against them regarding the Site and that they have fully complied with any and all EPA requests for information regarding the Site and the respective Settling Party's financial circumstances, including but not limited to insurance and indemnity information, pursuant to Sections 104(e) and 122(e) of CERCLA, 42 U.S.C. §§ 9604(e) and 9622(e), and Section 3007 of RCRA, 42 U.S.C. § 6927;

b. submitted to EPA any requested financial information and that such information fairly, accurately, and materially sets forth their financial circumstances, and that those circumstances have not materially changed between the time the financial information was submitted to EPA and the time Settling Parties execute this Settlement Agreement; and

c. fully disclosed any information regarding the existence of any insurance policies or indemnity agreements that may cover claims relating to cleanup of the Site, and submitted to EPA, upon request, such insurance policies, indemnity agreements, and information.

XIII. NOTICES AND SUBMISSIONS

41. Whenever, under the terms of this Settlement Agreement, notice is required to be given or a document is required to be sent by one Party to another, it shall be directed to the individuals at the addresses specified below, unless those individuals or their successors give notice of a change to the other Parties in writing. Written notice as specified in this Section shall constitute complete satisfaction of any written notice requirement of this Settlement Agreement with respect to EPA and the Settling Parties.

As to EPA:

Chris D. Field
Program Manager
Emergency Management Program
Office of Environmental Cleanup
ECL 116
1200 Sixth Avenue, Suite 900
Seattle WA, 98101

As to Settling Parties:

For David L. Ellis, Pamela L. Ellis, and Farouk H. Al-Hadi:

Stephen M. Feldman
Perkins Coie LLP
1120 N.W. Couch St., Tenth Floor
Portland, OR 97209
503.727.2058
503.346.2058 (fax)
sfeldman@perkinscoie.com

For Lombard Foods, Inc.:

Shawn P. Ryan
Law Office of Shawn P. Ryan
Gus Solomon Courthouse
620 S.W. Main St., Ste. 612
Portland, OR 97205
(503) 417-0477
(503) 417-0475 fax
shawn@sryanlaw.com

For the Trustee and Estate of ATI:

Kenneth S. Eiler, Trustee
PMB 810
515 NW Saltzman Rd.
Portland, OR 97229
503.292.6020
503.297.9402 (fax)
kenneth.eiler@7trustee.net

- and -

Justin D. Leonard, Counsel for the Estate
McKittrick Leonard LLP
111 SW Columbia, Ste. 1100
Portland, OR 97201
971.634.0192 (direct)
971.634.0250 (fax)
jleonard@ML-LLP.com

XIV. INTEGRATION/APPENDICES

42. This Settlement Agreement and its appendices constitute the final, complete, and exclusive agreement and understanding between the Parties with respect to the settlement embodied in this Settlement Agreement. The Parties acknowledge that there are no representations, agreements, or understandings relating to the settlement other than those expressly contained in this Settlement Agreement. The following appendices are attached to and incorporated into this Settlement Agreement: "Appendix A" is the Escrow Agreement.

XV. PUBLIC COMMENT

43. This Settlement Agreement shall be subject to a public comment period of not less than 30 days pursuant to Section 122(i) of CERCLA, 42 U.S.C. § 9622(i). In accordance with Section 122(i)(3) of CERCLA, EPA may modify or withdraw its consent to this Settlement Agreement if comments received disclose facts or considerations which indicate that this Settlement Agreement is inappropriate, improper, or inadequate.

XVI. EFFECTIVE DATE

44. The Effective Date of this Settlement Agreement shall be the date upon which EPA issues written notice that the public comment period pursuant to Paragraph 43 has closed and that comments received, if any, do not require modification of or EPA withdrawal from this Settlement Agreement.

IT IS SO AGREED:

U.S. Environmental Protection Agency

By: _____ _____
Chris D. Field Date
Program Manager
Emergency Management Program
Region 10

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 10-2014-0057, relating to the Absorbent Technologies Site

FOR SETTLING PARTY: DAVID L. ELLIS

By: _____ _____
David L. Ellis Date

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 10-2014-0057, relating to the Absorbent Technologies Site

FOR SETTLING PARTY: PAMELA L. ELLIS

By: _____ _____
Pamela L. Ellis Date

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 10-2014-0057, relating to the Absorbent Technologies Site

FOR SETTLING PARTY: FAROUK H. AL-HADI

By: _____ _____
Farouk H. Al-Hadi Date

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 10-2014-0057, relating to the Absorbent Technologies Site

FOR SETTLING PARTY: LOMBARD FOODS, INC.

By: _____ _____
Mark Okazaki Date

ITS: _____

THE UNDERSIGNED SETTLING PARTY enters into this Settlement Agreement in the matter of CERCLA Docket No. 10-2014-0057, relating to the Absorbent Technologies Site

FOR SETTLING PARTY: BANKRUPTCY ESTATE OF ABSORBENT TECHNOLOGIES, INC., BY AND THROUGH TRUSTEE KENNETH S. EILER

By: _____ 2-10-14
Kenneth S. Eiler Date